APPENDIX A

IN THE UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

Case No. 90-44326-172
Case No. 90-44327-172
Case No. 90-44328-172
Case No. 90-44329-172
Case No. 90-44330-172

In re:

WEST POINTE LIMITED PARTNERSHIP, NORTHWEST VILLAGE LIMITED PARTNERSHIP, GRANDVIEW HILLS LIMITED PARTNERSHIP, PARK RIDGE APARTMENTS LIMITED PARTNERSHIP and LAMPLITE LIMITED PARTNERSHIP,
Debtors and Debtors-in-Possession.

FIRST AMENDED JOINT PLAN OF REORGANIZATION OF THE GANNON MANAGEMENT COMPANY OF MISSOURI AND WILLIAM E. FRANKE

DATED: January 31, 1992

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IN THE UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

Case No. 90-44326-172
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In re:

WEST POINTE LIMITED PARTNERSHIP, NORTHWEST VILLAGE LIMITED PARTNERSHIP, GRANDVIEW HILLS LIMITED PARTNERSHIP, PARK RIDGE APARTMENTS LIMITED PARTNERSHIP and LAMPLITE LIMITED PARTNERSHIP,

Debtors and Debtors-in-Possession.

FIRST AMENDED JOINT PLAN OF REORGANIZATION OF THE GANNON MANAGEMENT COMPANY OF MISSOURI AND WILLIAM E. FRANKE

The Gannon Management Company of Missouri ("Gannon") and William E. Franke ("Franke") (collectively, the "Gannon Parties"), creditors and parties in interest herein, hereby propose the following First Amended Joint Plan of Reorganization (the "Plan") pursuant to Chapter 11 of the Bankruptcy Code.

ARTICLE I

DEFINITIONS

For purposes of the Plan, the following terms shall have the meanings herein set forth. Unless otherwise indicated, the singular shall include the plural. Capitalized terms shall at all times refer to terms as defined in this ARTICLE. A term used in this Plan, whether or not capitalized, that is not defined in this Plan, but that is used or defined in the Bankruptcy Code

or the Bankruptcy Rules, has the meaning used or defined in the Bankruptcy Code or the Bankruptcy Rules.

1.00 "*Allowed Administrative Claim*" shall mean any Allowed Claim arising from the costs and/or expenses of administration of these Chapter 11 Cases as, when and to the extent allowed pursuant to the Bankruptcy Code by the Court, including, without limitation, the actual, necessary costs and expenses of preserving the Debtors' estates and operating the businesses of the Debtors, all allowances of compensation or reimbursement of costs and expenses under Sections 330 and 503 of the Bankruptcy Code or otherwise allowed by the Court, and all Court fees and charges assessed against the Debtors' estates.

1.01 "*Allowed Claim*" shall mean: (i) a Claim that has been allowed by a Final Order of the Court; (ii) a Claim timely filed with the Clerk of the Court or scheduled as liquidated, undisputed and noncontingent by 'the Debtors in their statements and schedules heretofore filed with the Court, as they may be amended or supplemented, as to which Claim no objection to the allowance thereof has been interposed within the period of time fixed by the Bankruptcy Code or by a Final Order of the Court, or as to which Claim has resulted in the allowance of a Claim, in whole or in part, by a Final Order of the Court; or (iii) a Claim allowed under this Plan.

1.02 "*Allowed Mechanic's Lien Claim*" shall mean an Allowed Claim secured by a lien against the Property of the Debtors or in which the estates of the Debtors have an interest, which lien arises pursuant to the statutes of the State of Missouri relating to mechanic's liens.

1.03 "*Allowed Secured Claim*" shall mean an Allowed Claim which is secured by a valid perfected lien on Property of the Debtors or of the estates, to the extent of the value, as scheduled or as determined by the Court pursuant to Section 506(a) of the Bankruptcy Code, of the interest of the holder of

the Allowed Claim in the Property of the Debtors or of the estates securing such Allowed Claim, subject, however, to the further provisions of this Plan.

1.04 "*Allowed Unsecured Claim*" shall mean an Allowed Claim which is not entitled to priority under the Bankruptcy Code, or as to which the Creditor does not hold a validly perfected and enforceable lien or security interest as defined in Sections 101(37) and (51) of the Bankruptcy Code, or the amount of an Allowed Claim to the extent it exceeds the value of the interest of the holder of the Allowed Claim in the Property of the Debtors or of the estates securing such Allowed Claim, subject, however, to the further provisions of this Plan.

1.05 "*Available Funds*" shall mean the Stabilization Fund, the Escrows, the Transferred Funds, the USA Cash Collateral Account and Project operating accounts.

1.06 "*Bankruptcy Code*" shall mean the Bankruptcy Reform Act of 1978, Title 11 United States Code Section 101 *et seq.*, as the same has heretofore been and hereafter may be amended, to the extent that such amendment may be applied to these Chapter 11 Cases.

1.07 "*C. Franke Disputed Claims*" shall mean the Claims made by Cynthia J. Franke ("C. Franke") pursuant to the 5 separate adversary proceedings, 1 for each Debtor, filed with the Court and designated as adversary nos. 91-4242 through 91-4246 (the "C. Franke Adversary Proceedings").

1.08 "*Carnegie Evans*" shall mean Carnegie Evans Corporation, a Delaware corporation, which originated the loans evidenced by the HUD Notes and the HUD Deeds of Trust.

1.09 "*Cash*" shall mean U. S. Dollars paid and received by wire transfer into a bank account designated by the payee, or a regular, cashier's or certified check payable to the order of the payee in immediately available funds.

1.10 "*Chapter 11 Cases*" shall mean the cases of the Debtors under Chapter 11 of the Bankruptcy Code.

1.11 "*Claim*" shall mean a claim against the Debtors as defined in Section 101(5) of the Bankruptcy Code. Interest accrued on and accruing after commencement of the Chapter 11 Cases shall not be part of any Claim except with respect to an Allowed Secured Claim as permitted by Section 506 of the Bankruptcy Code.

1.12 "*Class*" shall mean any class in which Allowed Claims are classified pursuant to ARTICLE II hereof.

1.13 "*Confirmation*" shall mean the issuance by the Court of the Confirmation Order.

1.14 "*Confirmation Date*" shall mean the date upon which the Confirmation Order becomes a Final Order.

1.15 "*Confirmation Order*" shall mean the order issued by the Court confirming the Plan.

1.16 "*Consolidation Agreement*" shall mean the consolidation, modification and assumption agreement by and between G.P. 19 and HUD, the form of which is attached hereto as Exhibit 1 and incorporated herein by reference.

1.17 "*Court*" shall mean the United States Bankruptcy Court for the Eastern District of Missouri, a unit of the United States District Court for the Eastern District of Missouri.

1.18 "*Creditor*" shall mean the holder of a Claim against the Debtors.

1.19 "*Debtors*" shall mean the debtors-in-possession collectively; the individual Debtors are West Pointe Limited Partnership ("West Pointe"), Northwest Village Limited Partnership ("Northwest Village"), Grandview Hills Limited Partnership ("Grandview"), Park Ridge Apartments Limited Partnership ("Park Ridge") and Lamplite Limited Partnership ("Lamplite").

1.20 "*Effective Date*" shall be the date upon which distributions under the Plan are made, which date shall be not more than ninety (90) business days after the Confirmation Date.

1.21 "Escrows" shall mean the amounts transferred from GNMA to HUD as follows:

Debtor	Real Estate Tax, Ins. and MIP Escrows	Repair, Operating Deficit and GNMA Escrows	Reserve for Replacement Escrows
West Pointe	$412,762	$588,006	$524,315
Northwest Village	65,795	[264,381] [1]	131,086
Grandview	[13,700][1]	[123,190] [1]	46,212
Park Ridge	100,130	122,406	141,973
Lamplite	57,997	9,579	109,706
	$622,984 [2]	$332,420 [2]	$953,292[2]

1.22 "*FHA*" shall mean the Federal Housing Administration, a unit of HUD.

1.23 "*Final Order*" shall mean an order or judgment of the Court, which has not been reversed, stayed, modified or amended and: (i) as to which any rights to appeal or to seek certiorari review have been waived; or (ii) as to which the time to appeal or to seek certiorari review has expired and as to which no appeal or petition for certiorari, review or rehearing is pending.

1.24 "*Franke*" shall mean William E. Franke, an individual residing in the County of St. Louis, State of Missouri, a creditor and party in interest herein.

1.25 "*Franke Adversary Proceeding*" shall mean the adversary proceeding nos. 91-4193-172, 91-4205-172,

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[1] Negative balances are the result of the allocation of the Escrows among the Debtors made by Ernst & Young, accountants for the Debtors.

[2] Plus any interest earned from and after 12/31/90.

91-4206-172, 91-4207-172 and 91-4208-172 initiated by the Complaint for Turnover, Recovery of Fraudulent Transfers, Recovery of Preferential Transfers, Breach of Fiduciary Duty, Conversion and Breach of Contract, filed by the Debtors against Franke and Gannon, including any and all claims and causes of action asserted, or which could have been asserted, in connection with the matters described therein.

1.26 "*Franke Deeds of Trust*" shall mean the 5 multi-family subordinate deeds of trust, assignments of rents and security agreements, 1 for each Debtor, executed by the Debtors in favor of SLA as follows:

Debtor	D/T Date	Recording Date	Book/Page
West Pointe	11/18/88	02/03/89	B 8456, P 2442
Northwest Village	01/27/89	02/03/89	B 8456, P 2416
Grandview	11/18/88	02/03/89	B 8456, P 2429
Park Ridge	01/27/89	02/03/89	B 8456, P 2390
Lamplite	01/27/89	02/03/89	B 8456, P 2403

The Franke Deeds of Trust were assigned by SLA to Franke.

1.27 "*Franke Notes*" shall mean the 5 promissory notes, 1 for each Debtor, executed by the Debtors in favor of SLA as follows:

Debtor	Date	Original Principal Amount
West Pointe	11/18/88	$3,187,500
Northwest Village	01/27/89	813,750
Grandview	11/18/88	226,915
Park Ridge	01/27/89	795,000
Lamplite	01/27/89	517,500

The Franke Notes were assigned by SLA to Franke.

1.28 "*Gannon*" shall mean The Gannon Management Company of Missouri, a creditor and party in interest herein.

1.29 "*G.P. 19*"shall mean Gannon Partnership 19 L. P., a Missouri Limited Partnership with Franke as the managing general partner and John W. Shipley, Robert P. Greene, David W. Weygandt, Courtney Michelle Franke and Christin McKenzie Franke as the limited partners.

1.30 "*GNMA*" shall mean the Government National Mortgage Association.

1.31 "*HUD*" shall mean the United States Department of Housing and Urban Development, currently under the direction of its Secretary, Jack Kemp.

1.32 "*HUD Adversary Proceeding*" shall mean the consolidated adversary proceeding no. 90-4286-172 initiated by the Second Amended Complaint for Turnover, Reformation of Contract, Declaratory Judgment and Equitable Subordination, filed by the Debtors against HUD, FHA, GNMA and Carnegie Evans, including any and all claims and causes of action asserted, or which could have been asserted, in connection with the matters described therein.

1:33 "*HUD Deeds of Trust*" shall mean the 5 deeds of trust (multifamily), 1 for each Debtor, executed by the Debtors in favor of Carnegie Evans as follows:

Debtor	D/T Date	Recording Date	Book/Page
West Pointe	11/18/88	11/18/88	B 8416, P 1196
Northwest Village	01/27/89	01/27/89	B 8452, P 1619
Grandview	11/18/88	11/18/88	B 8416, P 1151
Park Ridge	01/27/89	01/27/89	B 8452, P 1571
Lamplite	01/27/89	01/27/89	B 8452, P 1671

together with the 5 security agreements (for section 223(f) coinsurance projects), 1 for each Debtor, executed by the

Debtors in favor of Carnegie Evans, and the 5 assignments of rents and leases, 1 for each Debtor, executed by the Debtors in favor of Carnegie Evans. The HUD Deeds of Trust were assigned from Carnegie Evans to GNMA, and from GNMA to HUD.

1.34 "*HUD Notes*" shall mean the 5 deed of trust notes, 1 for each Debtor, executed by the Debtors in favor of Carnegie Evans as follows:

Debtor	Date	Original Principal Amount
West Pointe	11/18/88	$36,125,000
Northwest Village	01/27/89	9,222,500
Grandview	11/18/88	2,571,700
Park Ridge	01/27/89	8,910,600
Lamplite	01/27/89	5,865,000

The HUD Notes were assigned from Carnegie Evans to GNMA, and from GNMA to HUD.

1.35 "*Kelly*" shall mean Kevin W. Kelly, a one-half of one percent (.5%) general partner in each of the Debtors.

1.36 "*New Regulatory Agreement*" shall mean the regulatory agreement multifamily housing project coinsured by HUD by and between G.P. 19 and HUD, the form of which is attached hereto as Exhibit 2 and incorporated herein by reference.

1.37 "*Other Allowed Secured Claims*" shall mean all Allowed Secured Claims, expressly *including* Allowed Mechanic's Lien Claims, but expressly *excluding* the Class 2 Security Deposit Claims, the Class 5 HUD Allowed Secured Claims, the Class 8 Franke Allowed Secured Claims and the Class 9 C. Franke Disputed Claims.

1.38 "*Pentad*" shall mean Pentad Properties, Inc., a Tennessee corporation, a one-half of one percent (.5%) general partner in each of the Debtors.

1.39 "*Petition Date*" shall mean September 7, 1990, the date on which the Debtors filed their Chapter 11 petitions with the Court.

1.40 "*Plan*" shall mean this First Amended Joint Plan of Reorganization, as altered, amended or modified in accordance with the terms hereof or in accordance with the Bankruptcy Code.

1.41 "*Projects*" shall mean all land described on Exhibit C-1 (West Pointe) to the Consolidation Agreement, Exhibit C-4 (Northwest Village) to the Consolidation Agreement, Exhibit C-2 (Grandview) to the Consolidation Agreement, Exhibit C-5 (Park Ridge) to the Consolidation Agreement, and Exhibit C-3 (Lamplite) to the Consolidation Agreement, and all improvements thereon.

1.42 "*Property*" shall mean all property of the estates of the Debtors in the Chapter 11 Cases as such term "property of the estate" is used in Section 541 of the Bankruptcy Code, including, but not limited to: (i) the Projects; (ii) Debtors' accounts receivable, cash, deposit accounts, money market or other investment accounts; (iii) all tangible personal property, furniture, inventory, machinery, equipment, goods and chattels owned or held by the Debtors together with all books of account, records, rent rolls, tenant information, promotional materials, accounts payable records and supporting documents, surveys, and drawings used by the Debtors in the management and ownership of the Property; (iv) all real estate, fixtures, leases, subleases, easements and personal property leasehold interests owned or held by Debtors together with all leasehold improvements and interests thereto; (v) all trademarks, trade names, service marks, copyrights, licenses, franchises and good will owned or held

by Debtors; (vi) all proposed leases of the Debtors from or with proposed tenants and purchase orders with suppliers; (vii) all contract rights, interests and claims held by the Debtors; (viii) any and all claims, counterclaims, or causes of action owned or held by the Debtors against any party, whether filed or unfiled, certain or contingent, including, without limitation, the HUD Adversary Proceeding and the Franke Adversary Proceeding; (ix) the Security Deposits; (x) the Escrows; (xi) the Stabilization Fund ; and (xii) the Transferred Funds.

1.43 "*Pro Rata*" shall mean the same proportion that an Allowed Claim in a particular Class bears to the aggregate amount of all Allowed Claims in such Class. To the extent that there exist disputed Claims in any such Class, Pro Rata share shall mean, until such disputed Claims shall, in whole or in part, have become Allowed Claims, the same proportion that an Allowed Claim in the Class bears to the aggregate amount of all Allowed Claims and disputed Claims in such Class.

1.44 "*Security Deposits*" shall mean the security deposits required by the leases entered into by the Debtors and tenants of the Projects, which deposits are held by the Debtors as security against damage and failure to pay rent as and when due.

1.45 "*SLA*" shall mean St. Louis Associates Limited Partnership (f/k/a St. Louis Associates, Ltd.), a Missouri limited partnership.

1.46 "*Stabilization Fund*" shall mean the funds generated pursuant to the Stabilization Fund Agreements, in the approximate aggregate amount of $279,716,[3] which funds currently are held by the Debtors.

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[3] Plus any interest earned thereon.

1.47 "*Stabilization Fund Agreements*" shall mean the 3 separate stabilization fund agreements, each dated January 1, 1989, by and between The Sumitomo Bank Limited Chicago Branch, The Boatmen's National Bank of St. Louis ("Boatmen's"), and Northwest Village, Park Ridge and Lamplite, respectively.

1.48 "*Transferred Funds*" shall mean the funds transferred to Susman, Schermer, Rimmel & Shifrin ("Susman, Schermer") and Colton & Boykin ("C & B"), counsel for Debtors, ostensibly as retainers for future legal services, immediately prior to the Petition Date, in the following amounts:

Recipient	Aggregate Amount Received
Susman, Schermer	$60,000
C & B	24,500
Total	$84,500 [4]

1.49 "*Unimpaired Creditors*" shall mean any Creditor, Creditors, interest holders or any Class of Creditors with Claims or interests that are not impaired under the Plan pursuant to Section 1124 of the Bankruptcy Code.

1.50 "*USA Cash Collateral Account*" shall mean the funds held by HUD pursuant to the terms of the 5 cash collateral orders, 1 for each Debtor, filed with the Court February 26, 1991.

1.51 "*Wrap Note*" shall mean the promissory note dated May 31, 1984, in the original principal amount of $57,300,000, executed by SLA in favor of Franke, as heretofore altered, amended or modified.

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[4] Plus any interest earned thereon.

ARTICLE II

CLASSIFICATION OF CLAIMS AND INTERESTS

2.01 *Class 1*: The holders of Allowed Administrative Claims, if any, against the Debtors which are entitled to priority under Section 507(a)(1) of the Bankruptcy Code.

2.02 *Class 2*: The holders of Allowed Claims, to the extent of $900 per individual, arising from Security Deposits, which are entitled to priority under Section 507 (a) (6) of the Bankruptcy Code.

2.03 *Class 3*: The Allowed Claim of St. Louis County, if any, arising from any outstanding real estate taxes relating to the Projects assessed for calendar year 1990, and any outstanding personal property taxes relating to the Property assessed for calendar year 1990, which is entitled to priority under Section 507(a)(7) of the Bankruptcy Code.

2.04 *Class 4*: The Allowed Claim of Union Electric Company.

2.05 *Class 5*: The Allowed Secured Claim of HUD.

2.06 *Class 6*: The holders of Other Allowed Secured Claims.

2.07 *Class 7*: The holders of Allowed Unsecured Claims of whatever nature and description, including Claims arising from the rejection of executory contracts and unexpired leases, *excepting* those Claims included in Classes 1 through 6 above and Classes 8 through 11 below.

Notwithstanding anything herein to the contrary, Class 7 shall not include any amounts due to Franke.

2.08 *Class 8*: The Allowed Secured Claim of Franke.

2.09 *Class 9*: The C. Franke Disputed Claims.

2.10 *Class 10*: The Allowed Unsecured Claims, if any, of Kelly and/or Pentad which are in addition to, and distinct from, any such Claims included in Class 11 below.

2.11 *Class 11*: The holders of partnership interests in the Debtors.

ARTICLE III

CLAIMS AND INTERESTS NOT IMPAIRED UNDER THE PLAN

3.01 *Class 1*. Such Creditors shall be paid in full on the Effective Date; *provided*, however, that such Creditors, other than professional persons, holding Claims resulting from ordinary course of business transactions may be paid in the ordinary course of business. In either event, payment will be made by G.P. 19 out of Available Funds. Class 1 is not impaired.

3.02 *Class 2*. Such Creditors shall be treated according to the terms of the leases entered into by the Creditors with the Debtors. Accordingly, such Creditors' legal, equitable and contractual rights remain unaltered. Class 2 is not impaired.

3.03 *Class 3*. Such Creditor shall be paid in full on the Effective Date. Payment will be made by G.P. 19 out of Available Funds. Class 3 is not impaired.

3.04 *Class 4*. The Debtors entered into an agreement with Union Electric ("UE") in January, 1991 pursuant to UE's demand for a deposit pursuant to Section 366 of the

Bankruptcy Code. Pursuant to the Agreement, the Debtors deposited the following amounts with UE:

Debtor	Amount Deposited
West Pointe	$19,729.80
Northwest Village	4,226.68
Grandview	4,579.70
Park Ridge	160.10
Lamplite	4,235.91
TOTAL	$32,931.47

The agreement calls for these amounts to be applied to the Allowed Claim of UE in satisfaction of the Claim. Accordingly, such Creditor's legal, equitable and contractual rights remain unaltered. Class 4 is not impaired.

3.05 *Class 6.* Such Creditors shall be paid in full on the Effective Date. Payment will be made by G.P. 19 out of Available Funds. Class 6 is not impaired.

3.06 *Class 7.* Such Creditors shall be paid in full on the Effective Date. Payment will be made by G. P. 19 out of Available Funds. Class 7 is not impaired.

3.07 *Class 9.* Such Creditor shall retain her rights, if any, and be allowed to litigate her Claims in any court of competent jurisdiction. Class 9 is not impaired.

ARTICLE IV

TREAT OF CLASSES THAT ARE IMPAIRED UNDER THE PLAN

4.01 *Class 5.* HUD is impaired under the Plan. The Allowed Secured Claim of HUD shall be treated as set forth in the Consolidation Agreement, which is attached hereto as Exhibit 1 and incorporated herein by reference.

4.02 *Class 8.* Such Creditor shall receive no distribution under the Plan. Class 8 is impaired.

4.03 *Class 10.* Such Creditors shall receive no distribution under the Plan. Class 10 is impaired.

4.04 *Class 11.* Such Creditors shall receive no distribution under the Plan. Class 11 is impaired.

ARTICLE V

MEANS FOR EXECUTION OF THE PLAN

5.01 On or before the Confirmation Date, HUD shall cause the Escrows and the USA Cash Collateral Account to be transferred to G.P. 19 for use in implementing the Plan.

5.02 On or before the Confirmation Date, the Debtors shall cause the Stabilization Fund, the Transferred Funds, the Security Deposits, and the Project operating accounts to be transferred to G.P. 19 for use in implementing the Plan.

5.03 On or before the Confirmation Date, G.P. 19 and HUD shall execute the Consolidation Agreement and the New Regulatory Agreement; and shall take and perform all actions contemplated thereby.

5.04 On or before the Confirmation Date, the Debtors shall sell, convey and assign the Property to G.P. 19. The Property will be acquired by G.P. 19 in exchange for G.P. 19 assuming and agreeing to pay the outstanding principal balance of the HUD Notes, such balance currently being in the amount of $62,322,434 and Franke additionally agreeing to pay the sum of $5,595,000 over a period of time as more particularly set forth in ¶ 4 of the Consolidation Agreement.

5.05 The Confirmation Order and the instruments of conveyance from the Debtors shall provide that the Property (except Cash required for distribution to Creditors pursuant to this Plan) be conveyed free and clear of restrictions on or conditions to transfer or assignment (except as set forth in the

HUD Deeds of Trusts [5] and the New Regulatory Agreement) and free and clear of deeds of trust, mortgages, security interests, liens, pledges, charges, encumbrances, equities or claims (except the HUD Deeds of Trusts and the New Regulatory Agreement); PROVIDED, however, that the Confirmation Order and the instruments of conveyance from the Debtors shall provide that, in the event a court of competent jurisdiction finds that C. Franke holds a lien on the Projects superior to the lien of the HUD Deeds of Trust, as alleged in the C. Franke Adversary Proceedings, the Property shall be subject to such interest in favor of C. Franke.

5.06 NO MONIES, PROPERTY OR FUNDS FOR THE PLAN, FOR ANY OF THE CREDITORS OR FOR ANY PAYMENTS UNDER THE PLAN, WILL BE PROVIDED BY FRANKE, GANNON OR G.P. 19 EXCEPT AS EXPRESSLY SET FORTH IN THE PLAN.

ARTICLE VI

RETENTION OF JURISDICTION

6.01 The Court shall retain jurisdiction of these Chapter 11 Cases pursuant to and for the purposes set forth in the Bankruptcy Code and to:

(a) Determine the amounts of any disputed Claims;

(b) Hear and fix allowances of compensation and other administrative expenses;

(c) Resolve issues related to the Plan;

(d) Insure that all parties comply with the provisions of the Plan and with all orders of the Court relating thereto;

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[5] Post-Confirmation Date, all references herein to the HUD Deeds of Trust shall be deemed to incorporate the modifications set forth in the Consolidation Agreement.

(e) Act upon any executory contracts not heretofore rejected;

(f) Hear and determine all Claims resulting from the rejection of executory. contracts;

(g) Hear and act upon modifications to the Plan;

(h) Amend, correct any defect, cure any omission or reconcile any inconsistency in the Plan or in the Confirmation Order as may be necessary to carry out the purpose and intent of the Plan; and

(i) Address such other matters as may be set forth in the Final Order of Confirmation.

ARTICLE VII

PROVISION FOR REJECTION OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

7.01 All executory contracts and unexpired leases relating to the Property shall be deemed to have been rejected by the appropriate Debtor unless expressly assumed, as directed by and acceptable to G.P. 19, and Confirmation shall operate as such a rejection. Any person or entity that claims rights in any rejected executory contract or unexpired lease shall have thirty (30) days after rejection in which to file a Claim in these proceedings.

ARTICLE VIII

NONDISCHARGE OF DEBTOR

8.01 Notwithstanding anything to the contrary contained in the Plan or in the Bankruptcy Code, Confirmation of the Plan shall not discharge the Debtors from any of their debts.

ARTICLE IX

MODIFICATION OF PLAN

9.01 The Gannon Parties reserve the right, in accordance with the Bankruptcy Code, to amend or modify the Plan prior to the Confirmation Date. After the Confirmation Date, upon order of the Court, and in accordance with Bankruptcy Code Section 1127(b), the Gannon Parties may also modify the Plan.

ARTICLE X

GENERAL PROVISIONS WITH RESPECT TO CLAIMS OF CREDITORS

10.01 Unless a Creditor advises G.P. 19 in writing of a change of its address, all distributions or notices shall be sent to the Creditor at its address as listed on the statement of financial affairs or as stated on a properly filed proof of the Creditor's Claim.

10.02 Ninety (90) days after the final distribution made by G.P. 19 to any Class 1, 3, 4, 6 or 7 Creditor pursuant hereto, G.P. 19 shall stop payment on all checks remaining unpaid, if any. Any Creditor who fails to cash a check or checks prior to such date shall forfeit all rights thereunder. Any such amounts shall be added to the Available Funds.

10.03 With respect to any distribution of Cash pursuant to which any Creditor would receive less than $10.00, G.P. 19 shall not distribute such amount to such Creditor. Any amounts not so distributed shall be added to the Available Funds.

ARTICLE XI

MISCELLANEOUS

11.01 *Headings*. The ARTICLE and section headings in this Plan are for convenience of reference only and shall not modify, limit, expand or otherwise affect the interpretation of the provisions hereof.

11.02 *Entire Agreement.* The Plan sets forth the entire agreement and understanding of the parties hereto relating to the subject matter hereof and supersedes all prior discussions and documents. No party hereto shall be bound by any terms, conditions, definitions, warranties, understandings, agreements or representations with respect to the subject matter hereof, except as expressly provided for herein or as may hereafter be agreed to by the parties in writing.

11.03 *Cram Down.* If any impaired Class under the Plan shall fail to accept this Plan in accordance with Section 1129(a) of the Bankruptcy Code, the Gannon Parties reserve the right to request the Court to confirm the Plan pursuant to Section 1129(b) of the Bankruptcy Code.

THE GANNON MANAGEMENT COMPANY OF MISSOURI

By: /s/ William E. Franke
Name: WILLIAM E. FRANKE
Title: CHAIRMAN OF BOARD

WILLIAM E. FRANKE
/s/ William E. Franke
WILLIAM E. FRANKE

/s/ Majorie Morris Weisman
MAJORIE MORRIS WEISMAN
LLOYD A. PALANS, ESQ. #122650
TERRY L. PABST, ESQ. #37187
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EXHIBITS

#1. Consolidation Agreement

#2. New Regulatory Agreement

APPENDIX B

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

Case No. 90-44326-172
CHAPTER 11 PROCEEDING

In re
WEST POINTE LIMITED PARTNERSHIP, D/B/A
WEST POINTE APARTMENTS, a Missouri
Limited Partnership,
Debtor.

Case No. 90-44327-172
CHAPTER 11 PROCEEDING

In re
NORTHWEST VILLAGE LIMITED PARTNERSHIP, D/B/A
NORTHWEST VILLAGE APARTMENTS, a Missouri
Limited Partnership,
Debtor.

Case No. 90-44328-172
CHAPTER 11 PROCEEDING

In re
GRANDVIEW HILLS LIMITED PARTNERSHIP D/B/A
GRANDVIEW HILLS APARTMENTS, a Missouri
Limited Partnership,
Debtor.

Case No. 90-44329-172
CHAPTER 11 PROCEEDING

In re
PARK RIDGE APARTMENTS LIMITED. PARTNERSHIP D/B/A PARK RIDGE APARTMENTS, a Missouri Limited Partnership,
Debtor.

Case No. 90-4330-172
CHAPTER 11 PROCEEDING

In re
LAMPLITE LIMITED PARTNERSHIP, D/B/A SPRINGWOOD, APARTMENTS, a MISSOURI LIMITED PARTNERSHIP,
Debtor

ORDER CONFIRMING FIRST AMENDED JOINT PLAN OF REORGANIZATION OF THE GANNON MANAGEMENT COMPANY OF MISSOURI AND WILLIAM E. FRANKE

At Saint Louis, in this District, this 22nd day of June, 1992.

The Gannon Management Company of Missouri ("Gannon") and William E. Franke ("Franke") (collectively, the "Gannon Parties"), jointly filed with this Court under Chapter 11 of the Bankruptcy Code, 11 U.S.C. § 101 *et seq.* (the "Bankruptcy Code") their First Amended Joint Plan of Reorganization on February 11, 1992, as amended, including the subsequently filed modifications, addenda, exhibits and schedules thereto (collectively, the "Plan") (hereinafter, all capitalized terms in this Order not defined in this Order shall have the meanings defined in the Plan). A hearing was held before this Court on notice to all Creditors, interest holders

and other parties in interest to consider the Gannon Parties' First Amended Disclosure Statement filed on January 31, 1992 (the "Disclosure Statement"). The Disclosure Statement was approved by Order of this Court dated as of January 31, 1992, and a copy of the Plan, the Disclosure Statement and various related materials were duly transmitted to all known holders of Claims or interests as provided in the Order approving the Disclosure Statement. The solicitation of acceptances from holders of Claims or interests entitled to vote on the Plan in these Chapter 11 cases was made in the manner required by this Court. Thereafter, the Gannon Parties filed their Report of Balloting on the Plan, certain objections to the Plan and the confirmation thereof having been filed (collectively, the "Objections").

On June 16, 1992, the Court held a full evidentiary hearing to consider confirmation of the Plan and other natters relating to confirmation (the "Hearing") upon notice as heretofore directed. Upon consideration of the record as a whole, and after due deliberation and sufficient factual and legal cause appearing therefor, the Court announced its determinations and orders from the bench.

I. FINDINGS OF FACT

(a) The Plan complies with the applicable provisions of Chapter 11 of the Bankruptcy Code, including, but not limited to, the provisions regarding disclosure, solicitation of acceptances and modifications.

(b) The Gannon Parties, as proponents of the Plan, have complied with all applicable provisions of the Bankruptcy Code.

(c) The Plan designates Classes of Claims and interests.

(d) The classification of claims and interests is reasonable and consistent with 11 U.S.C. § 1122.

(e) The Plan specifies the Classes of Claims and interests not impaired under the Plan.

(f) The Plan specifies the Classes of Claims and interests impaired under the Plan and specifies the treatment of Claims or interests in such Classes.

(g) Except where the holder of a particular Claim or interest has agreed to less favorable treatment of such Claim or interest, the Plan provides the same treatment for each Claim or interest of a particular Class.

(h) The Plan provides adequate means for its implementation.

(i) The Plan has been proposed in good faith and not by any means forbidden by law. The record has failed to disclose any side agreements between the Gannon Parties and certain creditors that have not been adequately described or otherwise identified in these proceedings.

(j) Any payment made or to be made by the Gannon Parties, as Plan proponents, for services or for costs and expenses in or in connection with the Chapter 11 Cases, is subject to the approval of this Court.

(k) The Gannon Parties, as Plan proponents, have disclosed the identity of all insiders that will be employed by or retained by G. P. 19 and the nature of any related compensation.

(l) No governmental regulatory commission has jurisdiction over rates charged by the Debtors.

(m) With respect to each impaired Class of Claims or interests, each holder of a Claim or interest has either accepted the Plan or will receive or retain under the Plan on account of such Claim or interest property of a value, as of the Effective Date, that is not less than the amount that such holder would receive or retain if the Debtors were liquidated under Chapter 7 of the Bankruptcy Code.

(n) The Plan treats all Claims of the types specified in Section507 (a) (1) and 507 (a) (6) of the Bankruptcy Code in compliance with the provisions of Section 1129 (a) (9) of the Bankruptcy Code.

(o) At least one Class of Claims that is impaired under the Plan has accepted the Plan, determined without including any acceptance of the Plan by any insider.

(p) The Plan is feasible. The Gannon Parties and G. P. 19 have demonstrated their ability to meet their financial obligations under the Plan and continue their businesses in the regular course. Confirmation and consummation of the Plan are not likely to be followed by the liquidation, or the need for further financial reorganization, of G. P. 19, except as has been otherwise proposed in the Plan.

(q) All fees payable under Section 1930 have been paid or the Plan provides for the payment of all such fees on the Effective Date..

(r) Classes 1, 2, 3, 4, 5, 6, 7, 8 and 9 have either accepted the Plan, or are deemed to have accepted the Plan.

(s) The Plan does not discriminate unfairly against and is fair and equitable with respect to Classes 10 and 11 and the treatment to be afforded to each of them meets the requirements of Section 1129(b) of the Bankruptcy Code.

(t) As of the Confirmation Date, there are no Class 10 Allowed Claims, and there is no holder of any interest that is junior to Class 11 which will receive or retain any property under the Plan on account of such junior interest.

(u) G.P. 19 will provide good and adequate consideration in exchange for the transfer of the Property.

(v) G. P. 19 and Franke are not receiving or retaining any property under the Plan on account of any prior interest in the Debtors.

(w) The procedures by which the Class 5 Ballot was distributed and tabulated were fair, properly conducted and complied with the prior orders of this Court with respect thereto.

(x) In accordance with the order of this Court dated January 31, 1992, a Ballot accepting the Plan has been timely received from the holder of the Class 5 Allowed Claim, representing more than two-thirds in amount and more than one-half in number of the Allowed Claims in Class 5.

(y) The principal purpose of the Plan is not the avoidance of taxes or the avoidance of the requirements of Section f of the Securities Act of 1933.

(z) It is not necessary to resolve all remaining disputes regarding the Debtors or the Property prior to Confirmation.

(aa) The conditions precedent to Confirmation of the Plan have been satisfied.

(bb) Any of the foregoing findings of fact deemed to be conclusions of law are hereby incorporated as conclusions of law.

II. CONCLUSIONS OF LAW

1. This Court has jurisdiction over this proceeding and the persons and governmental units subject hereto, pursuant to 28 U.S.C. §§ 157 and 1334 and Local Rule 29 of the United States District Court for the Eastern District of Missouri.

2. The Objections to confirmation of the Plan which have not been withdrawn are overruled.

3. The Plan is hereby confirmed.

4. Consistent with the Plan and, in particular, Article V thereof, the agreements and documents which are attached to the Plan and Disclosure Statement, including the documents referred to therein, and the related documents filed to date with the Bankruptcy Court (collectively, the "Agreements"), and all terms and provisions thereof, are hereby approved.

5. The Gannon Parties and G.P. 19 are authorized to enter into, execute, deliver and/or implement the Agreements and all other documents, instruments and modifications consistent therewith or with the Plan, with any amendments to such documents, instruments and modifications being approved hereby, and to take such other steps and perform such other acts, including execution of any other documents or agreements as may be necessary to implement and effectuate the Plan and/or the Agreements or documents approved in this Order.

6. Distributions required to be made to the holders of Clams against the Debtors shall be made to the entities entitled thereto as provided in the Plan.

7. The Plan and its provisions shall be binding upon the Debtors, any entity acquiring property under the Plan, any holder of a Claim against or interest in the Debtors, whether or not the Claim or interest of such Creditor or interest holder or obligation of any party in interest is impaired under the Plan and whether or not such Creditor, interest holder or party in interest has accepted the Plan or filed a proof of Claim or interest.

8. The United States Department of Housing and Urban Development ("HUD") is to comply with the terms of the Plan concerning the transfer of Escrows and U.S.A. Cash Collateral Accounts.

9. Consistent with the terms of the Plan, and consistent with the terms of the Court's ruling and order to be entered with respect to the fee applications of Susman, Schermer, Rimmel Shifrin and Colton & Boykin, but not later than five (5) days after such ruling and order is final, the Debtors shall cause the Stabilization Fund, the Transferred Funds, the Security Deposits and the Project operating accounts to be transferred to G. P. 19 for use in implementing the Plan.

10. Consistent with the terms of the Plan, G.P. 19 and HUD shall execute the Consolidation Agreement and the New Regulatory Agreement and shall take and perform all actions contemplated thereby.

11. Consistent with the terms of the Plan, the Debtors shall sell, convey and assign the Property to G. P. 19. The Property will be acquired by G. P. 19 in exchange for G. P. 19 assuming and agreeing to pay the outstanding principal balance of the HUD notes, such balance currently being in the amount of $62,322,434, and Franke additionally agreeing to pay the sum of $4,510,000 over a period of time as more particularly set forth in paragraph 4 of the Consolidation Agreement.

12. The Property (except Cash required for distribution to Creditors pursuant to the Plan) shall be conveyed free and clear of restrictions on or conditions to transfer or assignment (except as set forth in the HUD Deeds of Trust[1] and the New Regulatory Agreement) and free and clear of deeds of trust, mortgages, security interests, liens, pledges, charges, encumbrances, equities or claims (except the HUD Deeds of Trust and the New Regulatory Agreement); PROVIDED, however, that anything herein to the contrary notwithstanding, the Property shall be and the instruments of conveyance from the Debtors shall provide that the Property shall be subject to the liens and claims of Cynthia Franke, if any, including the Cynthia Franke Disputed Claims, and nothing in the Plan or this Order shall require Cynthia Franke to litigate or adjudicate the validity or priority of her liens and claims against the Property, if any, prior to exercising here foreclosure rights, judicial or non-judicial, if any. The Plan, the New Regulatory Agreement, the Consolidation Agreement and/or this Order shall not alter or impair Cynthia

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[1] All references herein to the HUD Deeds of Trust shall be deemed to incorporate the modifications set forth in the Consolidation Agreement.

Franke's aforesaid liens or claims Nothing herein shall impair, modify, affect or alter the right, if any, of any party to contest the existence, validity, extent or priority of the liens or claims granted to Cynthia Franke hereunder or otherwise or to seek relief in a court of competent jurisdiction to enjoin the exercise of Cynthia Franke's foreclosure rights, if any.

13. Pursuant to Section 7.01 of the Plan, and in accordance with Sections 365 and 1123 (b) (2) of the Bankruptcy Code, all executory contracts and unexpired leases and subleases of the Debtors are deemed to have been rejected by the Debtors effective on the Confirmation Date.

14. Pursuant to Bankruptcy Rule 3002 (c) (4), a deadline to file proofs of Claim for damages arising from the rejection of executory contracts and unexpired leases and subleases pursuant to Section 7.01 of the Plan shall be set by the Court after application.

15. The filing of proofs of Clam for damages arising from the rejection of executory contracts and unexpired leases and subleases shall be without prejudice to the rights of the Gannon Parties and G. P. 19 to object to any such proofs of Claim.

16. G. P. 19 is hereby authorized and directed to make distributions on the Effective Date, or as soon as practicable thereafter, of the payments required under the Plan, consistent with the terms of the Plan.

17. Except as expressly provided herein, and consistent with the terms of the Plan, upon and after the Confirmation Date, G. P.19 shall be entitled to manage its properties and affairs without further order of the Bankruptcy Court.

18. Any of the foregoing conclusions of law deemed to be findings of fact are hereby incorporated as findings of tact.

19. Not later than five (5) working days after the date of this order, the Gannon Parties' counsel shall submit to the

Bankruptcy Court a proposed notice, consistent with Bankruptcy Rule 2002 (f) (7), for the Court's review and consideration.

20. This Order shall also. constitute the Bankruptcy Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052.

/s/ James J Barta
JAMES J BARTA
U.S. Bankruptcy Judge

Copy mailed to:

Office of the United States Trustee
815 Olive Street, Suite 320-324
St. Louis, MO 63101

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8011 Clayton Road, Thrid Floor
St. Louis, MO 63117

APPENDIX C

GANNON
Gannon International, Ltd.

August 27, 2001

VIA FACSIMILE 901-755-6603
Mr. Kevin W. Kelly
2101 Merchants Row, Suite 2
Germantown, TN 38138

Re: West Pointe Limited Partnership
U. S. Bankruptcy Court for the Eastern District of Missouri
Chapter 11 Case Nos. 26-217, *et seq.*
Our Reference No. GPP01-2

Dear Kevin:

It was a pleasure talking to you on Friday.

Please be advised that if the former Debtors follow through on their threat to attempt to convert the bankruptcy case to a Chapter 7 liquidation at this point in time, the Settlement Agreement (an invitation to the former Debtors and the limited partners to make a settlement proposal to Gannon) forwarded under my cover of July 3, 2001 shall be immediately and irrevocably withdrawn. In that event, please understand, and make sure all of the limited partners understand, that there will be no further settlement discussions, of any kind.

Further, in the event that the former Debtors file such a conversion motion, we fully intend to move for sanctions against you individually, the former Debtors, and any attorney signing such a pleading. We understand that the Bankruptcy Code and related case law clearly preclude any good faith argument that such a motion is proper, at this point in time.

Please govern yourself accordingly.

Very truly yours,
/s/ Robert P. Greene
ROBERT P. GREENE

RPG:mh
cc: Terry L. Pabst, Esq.

APPENDIX D

CASTLE & ASSOCIATES, PLC
Attorneys and Counselors

319 Koger Center • 6555 Quince Road
MEMPHIS, TENNESSEE 38119
TELECOPIER (901) 755-4159
(901) 756-6100

F. GUTHRIE CASTLE, JR.

August 28, 2001

Mr. Terry Pabst, Esq.
11301 Olive Boulevard
St. Louis, MO 63141

VIA FAX

re: Bankruptey Court Case Nos.:
West Pointe Limited Partnership, No. 90-44326-172
Northwest Village Limited Partnership,
No. 90-44327-172
Grandview Hills Limited Partnership, No. 90-44328-172
Park Ridge Apartments Limited Partnership,
No. 90-44329-172
Lamplite Limited Partnership, No. 90-44330-172

Dear Terry:

Thank you for your letter of August 27. I was aware of the *Grinstead* case, however, I do not believe it supports your position, because its holding is limited to facts inapplicable to our case:

> Once a plan of reorganization is confirmed, the bankruptcy estate ceases to exist *unless the plan specifically provides otherwise*, and all estate property revests in the

> debtor *subject to the terms and conditions imposed by the plan.*

In re Grinstead, 75 B.R. 2, 3 (Bankr.D.Minn.1985).

As you are aware, the plan in this case requires that the estate is to be transferred by the Debtors-in-Possession to GP 19 rather than revesting in the Debtors. This transfer, however, is not mandated until the "Confirmation Date", when all appeals have become final, and the right to pursue appeals is specifically granted by the plan. As we know, the law of the case for this bankruptcy is that the plan at this time has not been substantially consummated because there remain many estate assets to be transferred. These facts make the *Grinstead* case inapposite.

A case more on point is *In re Reef Petroleum Corporation,* 99 B.R. 355 (Bankr.W.D.Mich. 1989), in which the case was converted over three years after confirmation of the Chapter 11 plan. Therein the court held when the plan is not completed prior to conversion, "upon conversion, the assets should be distributed according to Chapter 7." In the case *of Abbott v. Blackwelder Furniture Company of Statesville, Inc.*, 33 B.R. 399 (W.D.N.C. 1983), the court held that even after confirmation of the plan as long as a trustee has not been appointed, "Congress provided the Chapter 11 debtor with the absolute right to accomplish voluntary conversion to a Chapter 7 liquidation without Court approval."

I am not aware of any case law which prohibits conversion of a post-confirmation Chapter 11 if the estate has not yet been fully administered. In fact under section 1112(a), conversion appears to be an absolute right as long as the debtor is a debtor-in-possession. Extensive case law holds that a debtor is always the debtor-in-possession unless a trustee has been appointed under section 1104.

We would be happy to discuss any of this with you further. Also, I would be happy to entertain any further research you may have on the subject.

Very truly yours,
Castle & Associates, PLC

By: /s/ F. Guthrie Castle
F. GUTHRIE CASTLE, JR.

cc: Mr. Kevin Kelly

APPENDIX E

[Logo] THE PENTAD GROUP

PENTAD GROUP, INC.
PENTAD EQUITIES, INC.
PENTAD PROPERTIES, INC.
PENTAD MANAGEMENT, INC.
PENTAD REAL ESTATE INVESTMENTS, INC.
Member NASD and SIPC

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• (901) 755-0014 Fax (901) 755-6603 •
pentad@bellsouth.net

August 30, 2001

Gannon Companies
Attn: Bob Greene
11301 Olive Blvd.
St. Louis, MO 63141

Fax & US Mail

Re: St. Louis Associates Limited Partnership

Dear Bob:

I am in receipt of your letter dated August 27, 2001. Thank you for your prompt response to our conversation last Friday.

I have enclosed a copy of Guthrie Castle's letter to Terry Pabst, though I would guess you would have discussed the matter with Terry by this point in time. Just in case you didn't get a copy of Guthrie's letter from Terry I thought I should insure that you received one in order to point out that it would seem clear to us that while you might not agree with our sides conclusions we certainly have a sound argument to present and any motion to ask for sanctions would seem unreasonable.

If you have any desire to resume discussions regarding terms of a settlement agreement, pursuant to the concepts presented by Guthrie to Troy, after you have more clearly researched the law, please contact me no later than Thursday, September 6,

2001. I believe if we are not in serious negotiations by that point we will find it difficult to complete the matter before time will require the matter be concluded. In fact, if we expect to get a deal done, you and Terry/Bill/Troy should probably plan to come to Memphis in the coming week so we are not interrupted in finalizing a deal.

Thank you for past courtesies. I have enjoyed trying to resolve these contentious matters with you.

Sincerely,

St Louis Associates Limited Partnership
By: Pentad Properties, Inc., It's Administrative General Partner

/s/ Kevin W. Kelly
KEVIN W. KELLY, President

c/c Guthrie Castle

APPENDIX F

[Logo] THE PENTAD GROUP

PENTAD GROUP, INC.
PENTAD EQUITIES, INC.
PENTAD PROPERTIES, INC.
PENTAD MANAGEMENT, INC.
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pentad@bellsouth.net

September 7, 2001

Mr. Robert P. Greene
Executive Vice President
Gannon International, Ltd.
11301 Olive Boulevard
St. Louis, MO 63141

By Fax & U.S. Post

Re: Chapter 7
Settlement Discussion

Dear Bob:

Thank you for your letter of September 5th. I must take exception to one point you made in the 5th paragraph that our tax adviser, Steve Dunavant, suggested that your settlement proposal was fair and would result in significant tax benefits to our partners. In fact, while Mr. Dunavant did provide a structure for a possible settlement agreement he in fact indicated that he would advise his clients who were in the transaction not to participate, given the contribution levels that GP 19 was suggesting. Please recall our conversation where Steve compared the proposed agreement to a letter of credit and suggested that the amounts being suggested by GP 19 made no economic sense to any investor who had all or most of his passive loss carry-forwards and might make only

marginal sense to those investors who had used all their passive losses. I hope I have been clear in suggesting that there are an insufficient number of investors who have used all their passive losses to reach your minimum of $850,000, and consequently have suggested to you that it makes little or no sense for us to move forward on the term and conditions you have set out.

I would be pleased, as I suggested in my voice mail to you, to forward a marked up version of your draft settlement agreement. This marked up draft is the information that Guthrie spoke to Troy about and that both Guthrie (from Troy) and I (from you) understood held no interest on your part. As I suggested in my voice mail I didn't think it warranted further action on our part unless you had interest in the proposal.

I have reviewed Terry's letter to Guthrie and have spoken to both Guthrie who will formally answer Terry's letter and other investors/lawyers and must report that there is a strong feeling that Chapter 7 is the way to proceed unless a reasonable settlement can be achieved. The group believes that our legal position will prevail, particularly given a Barta decision on the right to convert, and failing that the BAP panel's likelihood of approval given the case law.

I would urge you to be certain of your position and be certain soon, because, as I understand the law once the conversion to Chapter 7 is accepted by a court, our decision to proceed with Chapter 7 is not reversible, and contrary to Terry's suggestion that the conversion does not revoke the plan, I would suggest that is not correct and that in all likelihood the trustee would control the entire matter, to include management, until the properties were disposed of by the trustee.

I would think that keeping most of the pie (80%) is better than the distinct possibility of losing the entire pie. I want to take this opportunity to thank you for being straight forward and

forbearing during this long and arduous process and also want to wish you all the best in the future.

Sincerely,

St. Louis Associates Limited Partnership
by: Pertatdi Properties, Inc.,
it's Administrative General Partner

/s/ Kevin W. Kelly
KEVIN W. KELLY, President

c/c Guthrie Castle